

Message Text

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43

ACTION ARA-20

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15 EB-11

COME-00 TRSE-00 FRB-02 AID-20 OPIC-12 CEA-02 RSR-01

/137 W

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R 271401Z AUG 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 3385

INFO AMEMBASSY LIMA

LIMITED OFFICIAL USE BUENOS AIRES 6320

E.O. 11652: N/A

TAGS: ECON, ESTC, ETRD, AR, CU, US

SUBJ: ARGENTINA EXTENDS TEN MILLION DOLLAR LINE OF CREDIT TO
PERU

REF: A. BA 429; B. SANTIAGO 739; C. BA 5884

1. ARGENTINE PRESS AUG 23 AND 24 CARRY NOTICES THAT BANCO DE LA NACION ARGENTINA HAS MADE AVAILABLE NEW LINE OF CREDIT FOR APPROXIMATELY 10 MILLION DOLLARS TO SIMILAR OFFICIAL BANK IN LIMA TO FINANCE PERUVIAN PURCHASES OF ARGENTINE MANUFACTURED GOODS. ACCORDING TO PRESS ITEMS PURCHASED MAY BE FINANCED FOR VARYING PERIODS UP TO EIGHT AND ONE HALF YEARS WITH INTEREST RATES FOR SHORT TERM CREDITS (18 MONTHS) AT FOUR PER CENT AND RANGING UP TO SIX PERCENT FOR LONGEST PERIODS. NO INFORMATION WAS GIVEN CONCERNING DOWNPAYMENTS TO BE REQUIRED. APPARENTLY, REPAYMENTS UNDER NEW LINE OF CREDIT WILL BE PLACED WITHIN CLEARING ARRANGEMENT AGREED UPON BETWEEN CENTRAL BANKS IN 1966. PRESUMABLY CREDITS ARRANGED UNDER THIS NEW FACILITY WILL BE IN ADDITION TO AGREED MAXIMUM CREDIT BALANCES IN CLEARING ACCOUNT AS PREVIOUSLY ARRANGED.

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2. EMBASSY SEES NEW EXTENSION ARGENTINE CREDIT AS EFFORT PROMOTE

MOVEMENT MANUFACTURED GOODS TO EXPORT MARKETS AND TO PROVIDE
NEEDED STIMULUS TO PRODUCTION AND EMPLOYMENT IN ARGENTINA ALONG
LINES RELATIVELY RECENT LARGE SCALE CREDITS TO CHILE AND CUBA
(SEE REFTELS.)

OF COURSE, ARGENTINE ACTION IN MAKING CREDIT AVAILABLE TO PERU
ALSO FITS WELL WITH NEW AND RECURRING FOREIGN POLICY THEME OF
ARGENTINE GOVERNMENT CONCERNING ITS DESIRES FOR CLOSER TIES WITH
ANDEAN PACT. AND RECENT DRAWING TOGETHER POLITICALLY WITH GOP
(ARGENTINE ARMY CHIEF OF STAFF'S RECENT VISIT TO PERU WAS FOLLOWED
BY SUBSTANTIAL PUBLICITY CONCERNING TWO COUNTRIES JOINT EFFORTS
TO DIMINISH THEIR "ECONOMIC DEPENDENCE").
LODGE

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Message Attributes

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Disposition Date: 28 MAY 2004
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Disposition Reason:
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30 JUN 2005

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